A3710-14 8/82

1992
B/PAA
BUDGET/SALARY
MEDIA USE
STUDY

Serving the Business Marketing Communicator

B·PAA ***Business/Professional Advertising Association***
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Non-member price: $40.00

TABLE OF CONTENTS

Table	Title	Page
	Introduction/Methodology	3
1	Base Salary	4
2	Additional Compensation	4
3	Median Salaries by Size of Companies' Advertising Expenditures	4
4	Median Salaries by Size of Agencies' Billings	5
5	Median Salaries by Georgraphic Areas	5
6	Salary by Job Designation	6
7	Salary by Age (Medians)	6
8	Median Salary by CBC Certification	6
9	CBC Certification by Age	7
10	Members Age (Mean Average)	7
11	Years With Present Company (Medians)	7
12	Markets (Advertisers & Agencies)	8
13	Advertiser Appropriations Increase/Decrease – Past Two Years	8
14	Clients' Budgets Increase/Decrease – Past Two Years	8
15	Anticipated Expenditure – Next Two Years (By Type of Organization)	9
16	Anticipated Expenditure – Next Two Years (By Geographic Area)	9
17	Anticipated Personnel Increase/Decrease (By Type of Organization)	9
18	Anticipated Personnel Increase/Decrease (By Georgraphic Area)	10
19	Expenditures/Billings by Media	10
20	Current Job Designation	11
21	Members' Operating Areas	11
22	Department Size/Membership in B/PAA (Advertisers Only)	11
23	Logical Growth Step For Ad Managers	12
24	Proportion of Members Holding Degrees	12
25	Proportion of Members by Sex	13
26	Organization Affiliation	13

INTRODUCTION/METHODOLOGY

As a continuing service to our members and the business-to business marketing comunications industry, B/PAA has conducted, since 1968, a biennial job/salary survey. This study tracks the progress made by our advertiser, agency, and publisher members.

In January 1992, B/PAA mailed a new questionnaire to 1490 members. This represented a sampling of all personnel within the membership categories: advertisers; agencies; publications; and suppliers.

	Mailed	Returned	Response %
Advertisers	522	179	34%
Agencies	402	144	36%
Publications	253	97	38%
Other	313	87	28%
Total	1,490	507	34%

Returned questionnaires were edited, coded, and analyzed by Business Marketing Research of Tuckahoe, New York. The data were then keypunched, cleaned for keypunch or logic errors and tabulated by computer. From that data, survey results have beeen compiled.

Currently, the median base salary of all B/PAA members is $54,000. This figure, which excludes additional compensation such as bonuses or commission, remains considerably above national averages for all workers and higher than the salaries for most other white collar jobs.

We were also able to track our CBC (Certified Business Communicator) designation as it relates to salaries. It was found that advertisers who hold the CBC designation earn more money than their counterparts who do not have the CBC designation.

Specialized business publications continue to garner the lion's share of expenditures by advertisers (27%).

These are just a few of the highlights from the complete study. We hope that you will find the information on job/salary data of interest and value to you and your organization. We sincerely thank the more than 500 indivuduals who took the time to assist us in obtaining the input so essential to the preparation of the results of this survey.

Sincerely,

Mary Jane Kolar, CAE
Executive Director

FINDINGS

Table One
BASE SALARY (MEDIANS)

	THOUSANDS					% INCREASE	
	1992	1990	1988	1986	1968	1990 1992	1988 1990
Total B/PAA	$54.8	$50.4	$47.0	$43.7	$15.2	8.7%	7.2%
Advertisers	52.3	48.3	45.6	42.1	18.7	8.3	5.9
Agencies	60.2	52.9	50.2	44.9	17.7	13.8	5.4
Publications	60.9	58.8	49.7	48.1	17.8	3.6	18.3

Salaries have typically increased by 8.7% in the two-year period – from 50.4 thousand to 54.8 thousand. Agency members made up for their low increase two years ago by showing a significant 13.8% gain since 1990. Publication members had a relatively small gain since 1990, following their very large gain the previous two years.

Table Two
ADDITIONAL COMPENSATION

	Advertisers		Agencies		Publications	
	1992	1990	1992	1990	1992	1990
Receives additional compensation	57%	65%	67%	74%	84%	85%
Median	**$3.8M**	**$3.6M**	**$6.5M**	**$7.1M**	**$16.5M**	**$23.3M**
No additional compensation	43%	35%	33%	25%	16%	13%

About two-thirds of the respondents receive additional compensation, with publisher and agencies still leading the way. All groups showed a decrease, although publishers are essentially the same as in 1990. The agencies and publishers both had declines in the amount of their bonuses. Publication people continue to far out-distance their advertiser/agency colleagues in the size of added compensation – and agency members out-distance advertisers on this basis.

Table Three
MEDIAN SALARIES (ADVERTISERS)
BY SIZE OF COMPANIES' ADVERTISING EXPENDITURES

Advertiser Budgets	Number and % of Total		Base Salary (Thousands) 1992	1990
$1,000,000 AND OVER	78	45%	$59.2	$54.6
$5000,000 TO $999,999	41	23%	54.4	46.7
UP TO $500,000	56	32%	45.0	40.9
TOTAL/BASE	179*	100%	$54.8	$48.3

*Total exceeds components due to no answers on budget size.

As would be expected, advertiser salaries increase with size of advertising expenditure. This is not totally a function of billings. Companies with larger billlings employ more senior executives; and salary increases with age as well as billings.

TABLE FOUR
MEDIAN SALARIES (AGENCIES)
BY SIZE OF AGENCIES' BILLINGS

Agency Billings	Number and % of Total		Base Salary (Thousands) 1992	1990
1,000,000 AND OVER	45	32%	$67.1	$54.3
$5000,000 TO $999,999	26	18%	62.1	58.6
UP TO $500,000	70	50%	55.9	50.2
TOTAL/BASE	141	100%	$60.2	$52.9

Executives in the larger agencies have the higher salaries. However, two years ago and four years ago executives in medium size agencies had the highest salaries. This was presumably because higher level executives, including owners, represent medium size agencies in B/PAA. In larger agencies, more junior executives represent their firms.

TABLE FIVE
MEDIAN SALARIES BY GEOGRAPHIC AREAS

	1992	1990	1988	1986	1968	% Increase 1990 1992	1988 1990	1986 1988
New England (28)	$51.7	$52.9	$52.7	$45.4	$15.7	-2.3%	0.4%	16%
Middle Atlantic (111)	60.0	52.1	49.2	44.2	15.5	15.2	5.9	11
South Atlantic (34)	56.7	48.0	46.3	38.2	15.6	18.1	3.7	21
East No. Central (168)	52.8	49.5	44.6	43.7	15.3	6.7	11.0	1
West Central (59)	50.0	43.5	45.3	39.7	14.6	14.9	-4.0	14
Mountain (20)	51.0	44.3	44.1	41.2	14.7	15.1	0.5	7
Pacific (51)	58.9	51.6	45.3	44.8	14.3	14.2	13.9	1
Canada (5)	60.0	60.0	47.2	45.5	14.7	0.0	*	4

*Response too small to compute median or gain.

Canada, which showed the greatest increase in median salary two years ago, stayed flat. The South Atlantic area had the greatest increase. The New England states had a decrease.

KEY

New England	ME, NH, VT, MA, RI, CT
Middle Atlantic	NY, NJ, PA
S. Atlantic	DE, MD, DC, VA, WV, NC, SC, GA, FL
E. N. Central	OH, IN, IL, MI, WI
W. Central	MN, IA, MO, ND, SD, NE, KS
Mountain	MT, ID, WY, CO, NM, AZ, UT, NV
Pacific	AK, WA, OR, CA, HI
Canada	All provinces

TABLE SIX
SALARY BY JOB DESIGNATION

	Median Average	Median Average by Titles
Advertisers	$52.3	
Marketing		52.0
Advertising/Communications		53.7
Agencies	60.2	
Pres./Owner/Partner		70.7
Acct. Mgt.		49.6
Media Buyers/Directors		36.2
Publications	60.9	
Publishers		105.4
Sales Mgrs./Advtg. Directors		68.3
Sales Reps./Regional Mgrs.		58.3

The title group with the highest salary level is the publisher. This is followed, in order, by agency owners/partners/officers and by publication sales managers.

Table Seven
SALARY BY AGE
(Medians)

	Thousands					% Increase	
	1992	1990	1988	1986	1968	1990 1992	1988 1990
Under 30	$31.5	$31.9	$30.7	$26.9	$11.2	(1.3%)	3.9%
30 - 39	49.9	46.5	42.2	40.7	14.4	7.3	10.2
40 - 49	59.8	55.0	54.0	48.5	17.1	8.7	1.9
50 & Over	66.9	62.2	57.6	53.5	18.3	7.5	8.0

As mentioned previously, more senior B/PAA members command higher salaries. Those fifty and older have salaries double those under 30.

Table Eight
MEDIAN SALARY BY CBC CERTIFICATION

	Total (Thousands)	Advertisers (Thousands)	Agencies (Thousands)
Has CBC	58.6	55.0	59.4
Does not have CBC	51.0	50.9	60.8

The positive correlation of salary and age is at least partially responsible for the correlation of CBC certification and higher salaries. In the agency segment the non-CBC salary is higher than the CBC salary, although by a minimal amount.

Table Nine
CBC CERTIFICATION BY AGE

	Advertisers		Agencies	
	Under 40	40 & Over	Under 40	40 & Over
Has CBC	33%	51%	38%	43%
Does Not Have CBC	67%	49%	62%	57%

As can be seen and as previously stated, older respondents (those 40 and over) more likely have CBC certification. (Thus, it is difficult to credit any one thing for pushing a member into a higher salary level. Indeed both certification and age are related to increased income.)

Table Ten
MEMBERS AGE
(Mean Average)

	1992	1990	1988	1986	1968
Total	42	41	41	42	42
Advertisers	41	41	41	42	41
Agencies	43	42	43	42	43
Publications	44	43	42	44	42

The typical age varies slightly from segment to segment. Further, there is little difference from year to year. B/PAA members' average age has stayed surprisingly consistent since the first study in 1968.

Table Eleven
YEARS WITH PRESENT COMPANY
(Medians)

	1992	1990	1988	1986	1968
Total	7.3	6.5	6.4	5.9	5.8
Advertisers	7.1	6.8	7.0	6.7	6.3
Agencies	7.7	6.2	6.1	4.0	6.0
Publications	7.5	7.0	6.6	6.0	5.8

The trend of longer affiliation appears to run counter to the prevailing wisdom (employers and employees show less loyalty today) and counter to what might be expectd during a period of high unemployment. The answer may lie in employers' willingness (or lack of willingness) to let younger, more recent employees join associations. Of course, the trend may also be following the national trend toward an older population.

Table Twelve
MARKETS (ADVERTISERS & AGENCIES)

	1992	1990
General Business/Financial	20%	22%
General Manufacturing/Industry	36%	25%
OEM Manufacturing/Design/Electronics	21%	17%
Processing/Specialized Mfg.	24%	20%
Metalworking/Production	11%	28%
Computers/MIS/Telecommunications	6%	*
Professional/Personal Services	11%	13%
Engineering/Construction/Mining	12%	11%
Transportation/Warehousing	**	3%
Science/Advanced Technologies/Computers	19%	17%
Distribution/Retailing	11%	14%
Communications/Publishing/Marketing	***	5%
Other	3%	3%
No Answer	10%	9%

Note: Total exceeds 100% due to multiple answers
* Included in "General Business/Financial"
** Included in "General Mfg./Industry"
*** Included in "Professional/Personal Services"

The trend of companies being involved with more markets continues. In 1986 each 100 agency and advertiser respondents were involved in 154 different markets. Today they are involved with 184 different markets.

Table Thirteen
ADVERTISER APPROPRIATIONS INCREASE/DECREASE – PAST TWO YEARS

	1992	1990
BASE	177	378
Increased	37%	54%
Same	28%	26%
Decreased	35%	19%
	100%	*

* Does not equal 100% due to rounding.

Table Fourteen
CLIENTS' BUDGETS INCREASE/DECREASE – PAST TWO YEARS

	1992	1990
BASE	139	273
Increased	38%	67%
Same	29%	22%
Decreased	33%	11%
	100%	100%

Both advertisers and agencies report smaller budgets since 1990. The answers of advertisers and agencies are close to identical.

Table Fifteen
ANTICIPATED EXPENDITURE – NEXT TWO YEARS
(BY TYPE OF ORGANIZATION)

	Total	Advertisers	Agencies*
Expect increased expenditures	52%	53%	51%
Expect the same expenditures	35%	35%	35%
Expect decreased expenditures	13%	12%	14%
	100%	100%	100%

* Although agencies are answering the question, they are referring to clients' budgets, not to their own billilngs.

Respondents appear to anticipate an increase in expenditures in the next two years, but by a smaller margin than in 1990 when 62% anticipated increases. It should be noted that their predictions of increases two years ago did not come to pass. B/PAA members do not have a strong record of accurate forecasts for budgets.

Table Sixteen
ANTICIPATED EXPENDITURE – NEXT TWO YEARS
(BY GEOGRAPHIC AREA)

	New Eng.	Mid Atl.	So. Atl.	ENC	WC	Mntn.	Pac.
BASE	**18**	**65**	**24**	**105**	**37**	**17**	**28**
Increase	61%	46%	58%	45%	59%	53%	61%
Same	33%	34%	29%	13%	27%	41%	28%
Decrease	6%	20%	13%	42%	14%	6%	11%
	100$	100%	100%	100%	100%	100%	100%

Note: Not all areas are included as the number of answers in some areas is too small to be stable.

New England and the West tend to be most optimistic; the East North Central is most pessimistic.

Table Seventeen
ANTICIPATED PERSONNEL INCREASE/DECREASE
(BY TYPE OF ORGANIZATION)

	TOTAL	ADVERTISERS	AGENCIES*
Expect increase, next 2 years	30%	33%	26%
Expect departments to be same size	51%	54%	48%
Expect decrease, next 2 years	19%	13%	26%
	100%	100%	100%

*Again, agencies' answers concern their clients' departments.

Overall, about a third of the respondents anticipate increased personnel. Agencies are less optimistic than advertisers. (It should be noted that these proportions are very close to the figures from the 1990 study. Outside evidence indicates that B/PAA members may be overly optimistic.)

Table Eighteen
ANTICIPATED PERSONNEL INCREASE/DECREASE
(BY GEOGRAPHIC AREA)

	New Eng.	Mid Atl.	So. Atl.	ENC	WC	Mntn.	Pac.
Increase	39%	30%	26%	17%	50%	31%	38%
Same	50%	49%	70%	54%	42%	63%	45%
Decrease	11%	21%	4%	29%	8%	6%	17%
	100%	100%	100%	100%	100%	100%	100%

The West Central is most optimistic concerning personnel increases.

Table Nineteen
EXPENDITURES/BILLINGS BY MEDIA

	Advertisers					Agencies				
	Total	Average % of Budget				Total	Average % of Budget			
	% Using	Avg. % of Budg.	Up To $500 M	$500-999M	1MM & Over	% Using	Avg. % of Budg.	Up to $500 M	$500-999M	1MM & Over
BASE	179	179	56	41	78	144	144	70	26	45
Spec. Bs. Pubs.	80%	26.9%	34.1%	23.1%	23.4%	78%	29.6%	31.4%	26.8%	29.5%
Gen. Bs. Pubs.	17	3.9	2.0	3.8	5.2	32.0	5.0	3.2	3.3	9.0
Farm Pubs.	3	.1	-	.1	.2	8.0	1.3	.2	1.5	2.6
Medical Pubs.	7	1.3	-	2.4	1.6	13.0	2.4	2.2	2.9	2.5
Consumer Pubs.	6	.8	.1	2.1	.5	18.0	2.4	2.1	1.8	3.6
Newspapers	8	1.1	.8	.2	1.9	28.0	3.0	2.0	2.6	4.8
Telemarketing	11	1.1	1.9	.9	.7	13.0	1.1	.2	1.0	2.1
Direct Mail	66	7.5	6.8	6.4	8.4	69.0	11.3	10.0	10.5	12.0
Network TV	1	.1	-	-	.3	3.0	.8	.1	-	2.1
Spot TV	4	1.0	.3	.1	2.0	15.0	1.5	.6	.8	3.1
Spot Radio	5	.8	.9	-	1.3	16.0	1.1	.9	.8	1.9
Directories	29	1.9	2.0	2.0	1.9	26.0	1.1	1.8	.6	.6
Co. Catalogs	61	16.7	13.8	20.9	16.4	47.0	10.6	13.7	11.0	5.4
Trade Shows/Exbt.	74	14.5	15.6	16.2	12.8	38.0	4.2	5.7	4.2	2.4
Dealer/Dist. Aids	25	2.8	1.7	3.2	3.3	33.0	4.6	4.1	5.6	4.6
Int. House Organs	23	1.5	2.0	1.9	1.0	22.0	1.5	2.1	1.6	.5
Ext. House Organs	23	2.3	2.4	1.7	2.7	24.0	1.6	1.8	3.6	.3
AV (slide/movie/etc)	36	2.1	1.7	2.5	2.2	19.0	.9	1.3	.6	.5
Specialty Advtg.	27	1.5	1.3	2.0	1.3	11.0	.3	.5	.2	.2
Outdoor Transit	3	.2	.4	-	.2	11.0	.3	.5	.1	.2
Publicity/PR	60	5.2	4.6	4.9	5.7	60.0	8.0	8.1	12.4	6.0
Research	18	.6	.3	.5	.9	23.0	1.1	1.1	1.8	1.1
Video Tape	35	2.5	3.2	2.4	2.1	28.0	1.5	1.6	1.7	1.0
Other	22	3.6	4.1	2.5	3.8	19.0	4.5	4.9	4.5	3.9

Nearly all media decreased in proportion of advertisers using. In 1990, advertiser respondents used an average of seven (6.97) different media, with 88% using specialized business publications and 19% using general business publications. In this year's study, advertiser respondents used an average of 6.4 media, with 89% using specialized business magazines and 17% using general business magazines. The decrease in business publication usage did not result in (or was not the result of) one other medium taking up the slack. The "extra" percentage of the budget was not all taken up by a single medium such as direct mail or network TV or house organs. Specialized business publications, although they have decreased in penetration and in percent of budget, still dominate this market.

It should be noted that the agency answers are quite different from the advertisers' answers in certain categories. This is due to agencies not always being involved in certain areas, such as trade shows and catalogs, even though the advertiser has a budget for these items.

Table Twenty
CURRENT JOB DESIGNATION

	Total B/PAA		Advertisers		Agencies		Publishers	
	1991	1990	1991	1990	1991	1990	1991	1990
President/Owner/CEO/Partner/Publisher	21%	19%	1%	2%	51%	44%	13%	18%
Director of Sales/VP of Sales/Sales Mgr.	5%	5%	-	1%	4%	4%	12%	11%
Marketing Director/Mgr./VP of Marketing	7%	8%	9%	13%	3%	1%	7%	5%
Advtg./Communications Mgr./Director/VP	32%	34%	79%	72%	1%	3%	5%	3%
Acct. Supvr./Mgr./Executive/VP/etc.	12%	13%	3%	1%	31%	38%	2%	-
Media Director/Buyer/VP of Media/etc.	3%	2%	-	1%	9%	6%	-	-
Space Sales/Dist. Mgr./Rep.	12%	12%	-	-	-	*	58%	62%
Other	6%	8%	5%	11%	1%	4%	4%	3%

*Less than 1/2 of 1%

Job titles are as expected and are consistent with prior years.

Table Twenty-One
MEMBERS' OPERATING AREAS

	Total B/PAA		Advertisers		Agencies		Publishers	
	1991	1990	1991	1990	1991	1990	1991	1990
Advertising/Communications	81%	85%	98%	98%	92%	92%	54%	50%
Marketing/Market Planning	55%	55%	56%	56%	73%	66%	40%	41%
Product Management	8%	9%	8%	12%	5%	4%	12%	10%
Sales/Sales Management	25%	22%	8%	8%	12%	11%	70%	77%
Sales Training	13%	15%	15%	17%	8%	8%	15%	19%
Public Relations	50%	52%	70%	71%	59%	48%	14%	19%
Marketing Research	34%	35%	40%	37%	42%	40%	25%	26%
Company Management/Administration	30%	27%	22%	24%	47%	40%	21%	19%
Merchandising	15%	17%	19%	21%	10%	10%	21%	25%
No Answer	2%	5%	1%	7%	1%	3%	2%	1%

Respondents' titles are not in any way restricting. They operate in areas ranging from sales training to company management. Advertisers regularly operate in about three different areas.

Table Twenty-Two
DEPARTMENT SIZE/MEMBERSHIP IN B/PAA
(ADVERTISERS ONLY)

One Other	21%
Two or Three Others	26%
Four or Five Others	13%
Six or More Others	40%
Average # in Department (Median)	4.5
Average # of B/PAA Members (Median)	.9

The departments that advertiser members work in typically have about four or five other people. In over half the departments only one person has B/PAA membership.

Table Twenty-three
LOGICAL GROWTH STEP FOR AD MANAGERS

	Advertisers	Agencies
President/Owner/General Manager/ CEO/Partner/Publisher	-	3%
Executive VP/ Administrative VP/ Treasurer/Secretary	5%	4%
Marketing Director/Marketing Manager/ VP Marketing	47%	57%
Adv. Communications SMgr./Director/VP/ Marketing Comm./Sales Promo	41%	26%
Account Supervisor/Manager/Exec./VP etc.	1%	5%
Media Director, Buyer/VP Media etc.	-	-*
Product Manager	2%	2%
Other	2%	-

* Less than 1/2 of 1%

The logical growth step for the advertising manager, as seen by advertisers, is additional growth and responsibility in advertising – to Vice President, Director, etc. or into marketing, presumably a broader role. Agencies are more likely to see the advertising manager's growth into marketing.

Table Twenty-four
PROPORTION OF MEMBERS HOLDING DEGREES

	1991	1990
Masters or Higher	23%	21%
Bachelors	65%	65%
Associate & Other	7%	15%
Has CBC Certification	37%	33%

The proportion of members holding advanced degrees has increased in every study since the question was added to the questionnaire. Nearly one out of every four respondents in this study has a masters degree or higher.

Men are more likely to have advanced degrees and to have CBC certification.

Table Twenty-five
PROPORTION OF MEMBERS BY SEX

	Total	Advtr.	Agency	Publ.	East	Mid West	West	Up to 29	30-39	40-49	50 & Over
Male	64%	52%	77%	74%	67%	70%	42%	29%	52%	67%	90%
Female	36%	48%	23%	26%	33%	30%	58%	71%	48%	33%	10%

Women members are more likely to be on the West Coast. While the numbers do not provide a foolproof base for individual regions, the basic pattern may indeed reflect a lifestyle difference: men are more likely to be employed in business-to-business marketing communications in the East and Midwest; women are more likely employed in the West.

Also, publishers and agencies are more likely than advertisers to have male employees; advertisers are more likely to employ women.

The variations by age dramatically show the social changes that have taken place in America in the past 20 years.

Table Twenty-six
ORGANIZATION AFFILIATION

	TOTAL	ADVERTISERS	AGENCIES	PUBLICATIONS
Advertising Research Foundation (ARF)	6%	3%	8%	9%
American Association of Ad. Agencies (4 As)	10%	*	31%	*
American Marketing Association (AMA)	22%	27%	28%	12%
Association of business Publishers (ABP)	11%	*	*	42%
Association of National Advertisers (ANA)	4%	9%	*	*
Direct Marketing Association (DMA)	12%	9%	17%	11%
Intn'l. Assn. of Bs. Communicators (IABC)	7%	11%	6%	3%
Public Relations Soc. of America (PRSA)	15%	17%	26%	2%
Trade Show Bureau (TSB)	4%	6%	1%	3%
Other	21%	16%	23%	18%
Net	63%	57%	71%	64%

* Does not apply.

Over three-fifths of the respondents belong to (or are with companies that belong to) related industry organizations.